

**AMENDMENT TO H.R. 3996**  
**OFFERED BY MR. BRADY OF TEXAS**

Strike section 404 (relating to gain from sale of principal residence allocated to nonqualified use not excluded from income) and insert after section 403 the following new section:

**1 SEC. 404. PARTICIPANTS IN GOVERNMENT SECTION 457**  
**2 PLANS ALLOWED TO TREAT ELECTIVE DE-**  
**3 FERRALS AS ROTH CONTRIBUTIONS.**

**4 (a) IN GENERAL.**—Section 402A(e)(1) (defining ap-  
**5 plicable retirement plan) is amended by striking “and” at**  
**6 the end of subparagraph (A), by striking the period at**  
**7 the end of subparagraph (B) and inserting “, and”, and**  
**8 by adding at the end the following new subparagraph:**

**9 “(C) an eligible deferred compensation**  
**10 plan (as defined in section 457(b)) of an eligible**  
**11 employer described in section 457(e)(1)(A).”.**

**12 (b) ELECTIVE DEFERRALS.**—Section 402A(e)(2) (de-  
**13 fining elective deferral) is amended to read as follows:**

**14 “(2) ELECTIVE DEFERRAL.**—The term ‘elective  
**15 deferral’ means—**

**16 “(A) any elective deferral described in sub-**  
**17 paragraph (A) or (C) of section 402(g)(3), and**

1                   “(B) any elective deferral of compensation  
2                   by an individual under an eligible deferred com-  
3                   pensation plan (as defined in section 457(b)) of  
4                   an eligible employer described in section  
5                   457(e)(1)(A).”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7 this subsection shall apply to taxable years beginning after  
8 December 31, 2007.

Strike section 501 (relating to repeal of authority to  
enter into private debt collection contracts).

In section 625 (relating to time for payment of cor-  
porate estimated taxes), strike “178 percent” and insert  
“179.375 percent”.